

Links to More Brownfield  
Redevelopment Information

To learn more about MDEQ brownfield redevelopment programs, including brownfield work plan reviews, grant and loan programs, state funded cleanups, the site assessment program, and successful brownfield redevelopment projects, go to the MDEQ webpage: [www.michigan.gov/deq](http://www.michigan.gov/deq) (Select Land, then Land Redevelopment); or [www.michigan.gov/deqbrownfields](http://www.michigan.gov/deqbrownfields)

Other federal, state and non-profit websites:

- National Brownfields Associations  
[www.brownfieldassociation.org](http://www.brownfieldassociation.org)
- U.S. Environmental Protection Agency/Brownfields  
[www.epa.gov/brownfields](http://www.epa.gov/brownfields)
- MDEQ Green Construction and Demolition  
[www.michigan.gov/deq](http://www.michigan.gov/deq) (select Pollution Prevention, Outreach, Green Construction and Demolition)
- MDEQ Environmental Permits, Licenses and Certifications – [www.michigan.gov/deq](http://www.michigan.gov/deq) (select “Permits” at top of page)
- Michigan Timely Application and Permit Service (MITAPS) – [www.michigan.gov/mitaps](http://www.michigan.gov/mitaps)
- MEDC - [www.MichiganAdvantage.org](http://www.MichiganAdvantage.org)
- Michigan Department of Natural Resources (MDNR) - Natural Resources Trust Fund grants/loans- [www.michigan.gov/dnr](http://www.michigan.gov/dnr) (select Inside DNR, Grants)
- Michigan Department of Transportation (MDOT) - Michigan Transportation Enhancement Program - [www.michigan.gov/mdot](http://www.michigan.gov/mdot) (select Projects & Programs, Grant Programs)
- Michigan Department of Labor and Economic Growth (MDLEG) - Land Bank Fast Track Authority – [www.michigan.gov/dleg](http://www.michigan.gov/dleg) (select Michigan Land Bank Fast Track Authority)
- Michigan State University Land Policy Institute - [www.landpolicy.msu.edu](http://www.landpolicy.msu.edu)



Michigan Department of Environmental Quality  
[www.michigan.gov/deq](http://www.michigan.gov/deq)  
1-800-662-9278  
For reporting pollution emergencies only:  
1-800-292-4706

Brownfield  
Redevelopment  
**FINANCIAL  
INCENTIVES**  
in Michigan



**DEQ**  
Michigan Department of Environmental Quality  
Remediation and Redevelopment Division  
[www.michigan.gov/degrdd](http://www.michigan.gov/degrdd)  
517-373-9837

Jennifer M. Granholm, Governor / Steven E. Chester, Director

FINANCIAL INCENTIVES	Brownfield Redevelopment Grants and Loans	Brownfield Site Assessments
WHAT IS IT?	Brownfield Redevelopment grants and loans of up to \$1 million each are available to investigate and remediate suspected or known sites of environmental contamination for redevelopment.	An environmental site assessment (ESA) comparable to a Phase I/II ESA conducted on a potential or known brownfield property that has potential for redevelopment.
HOW DOES IT WORK?	<p>A potential applicant may contact the Michigan Department of Environmental Quality (MDEQ) for a pre-determination of project eligibility. An applicant with an eligible project submits an application to the MDEQ to request funding for environmental activities required to redevelop the property. Low-interest loans may be awarded for projects where there is redevelopment potential, but no identified developer; grants can only be used for projects with an identified developer and without a liable party. Since grant funds are extremely limited, most projects are funded with a combination of grant and loan funds.</p> <p>Applications are accepted year-round. MDEQ review is typically 90 days. Applicants may receive funding for only one project per year. Response activities are expected to be completed within two years.</p>	<p>Potential properties are identified by a local unit of government or other governmental agency who then submits an application to the MDEQ Remediation &amp; Redevelopment Division (RRD). The application is reviewed to determine if the property qualifies. If approved, the candidate properties are prioritized for assessment. The assessment includes a historical record search, environmental sampling including soil, groundwater, surface water or sediments, as appropriate, followed by a report of the findings. Timeframe for the assessment and reporting is about 5 months.</p> <p>Applications are accepted year-round; however, there are a limited number available annually.</p>
WHO IS ELIGIBLE?	Any county, city, township, or village; Brownfield Redevelopment Authority; or another entity established pursuant to state law, such as a Downtown Development Authority, may receive grant or loan funding. Projects must have the support of the local governing body, including commitment of full faith and credit for loans.	Brownfield properties with perceived or known contamination and redevelopment potential are eligible, with some exceptions. A potential applicant may contact the MDEQ/RRD to discuss project eligibility.
WHAT ARE THE INCENTIVES?	Grants pay for 100% of eligible costs. Loans carry very low interest rates, and the first five years are interest-free and payment-free. The loan must be repaid within 15 years, and borrowers may repay loans with tax increments captured through a Brownfield Redevelopment Authority. Grant and loan approvals are generally made within 90 days to meet redevelopment timelines.	The assessment is at no cost to the applicant. The information may be used to assist in completing a Baseline Environmental Assessment and in marketing the property for getting tax reverted, abandoned properties back on the tax rolls.
WHO SHOULD I CONTACT?	MDEQ Environmental Science & Services Division Environmental Stewardship Grants and Loans Unit 517-373-9540 <a href="http://www.michigan.gov/deqbrownfields">www.michigan.gov/deqbrownfields</a> (Select Brownfield Grants and Loans)	MDEQ Remediation and Redevelopment Division 517-335-2151 <a href="http://www.michigan.gov/degrdd">www.michigan.gov/degrdd</a> (Select Superfund Program, then Brownfield Assessments)

FINANCIAL INCENTIVES	Brownfield Redevelopment Authority and Brownfield Plan	Tax Increment Financing (TIF)	Michigan Business Tax (MBT) Credit
WHAT IS IT?	<p>A brownfield redevelopment authority, under Public Act 381 of 1996, as amended, is an agency of a local unit of government created to develop and implement brownfield plans.</p> <p>A brownfield plan must be approved by the local unit of government.</p>	<p>Capture of increased local and school property tax revenues on eligible property by a brownfield redevelopment authority to pay for the costs of the following eligible activities:</p> <p>1) Environmental response, demolition, and lead or asbestos abatement <u>statewide</u>, plus</p> <p>2) Infrastructure improvements and site preparation in <u>qualified local governmental units</u>.</p>	<p>A Michigan Business Tax (MBT) credit is available for up to 12.5% of the eligible investment <u>hard</u> costs made on an eligible property by a qualified taxpayer. For projects designated as Urban Development Area Projects (UDAP), a credit of up to 20% of eligible investment <u>hard</u> costs is available until 12/31/10, then 15% thereafter. Projects are categorized as follows based on the amount of the eligible investment:</p> <p><b>1) Large:</b> investment over \$10 million (up to 20 can be approved annually)</p> <p><b>2) Small:</b> investment of more than \$2 million but not more than \$10 million</p> <p><b>3) Mini:</b> investment of \$2 million or less</p> <p>One “Jumbo” credit with investment of more than \$10 million but not more than \$30 million can be approved annually.</p>
HOW DOES IT WORK?	<p>A brownfield redevelopment authority may adopt a brownfield plan to provide the following tax incentives for the redevelopment of an eligible brownfield property:</p> <p>1) Tax increment financing to reimburse parties for the costs of eligible activities,</p> <p>2) Eligibility to apply for the Michigan Business Tax (MBT) brownfield credit for qualified taxpayers for their eligible investments.</p> <p>A brownfield redevelopment authority may also establish a local site remediation revolving fund through capture of excess tax increment revenues for up to five years to conduct eligible activities on other eligible properties.</p> <p>Bonds can be issued and repaid with tax increment revenues.</p>	<p>Tax increment revenues are generated by investment in, and redevelopment of, eligible property which includes contaminated, blighted or functionally obsolete property. The eligible property must be approved in a brownfield plan.</p> <p>Eligible activities are conducted on the property as part of the redevelopment project. As the property value increases, the captured tax increment revenues are used to reimburse the eligible costs. If captured school taxes will be used to pay for certain environmental response activities or all of the non-environmental activities, prior approval of a work plan by the MDEQ/MEDC is necessary.</p>	<p>Eligible property for the MBT credit includes:</p> <p>1) Property in a qualified local governmental unit (QLGU) that is a facility, blighted or functionally obsolete, including adjacent or contiguous parcels.</p> <p>2) Property <u>not</u> in a QLGU that is a facility, including adjacent or contiguous parcels.</p> <p>3) Tax reverted property owned or under the control of a land bank fast track authority.</p> <p>UDAP include projects on eligible property located in a downtown or traditional central business district of a QLGU or county seat, or along a traditional commercial corridor of a QLGU or a county seat, as determined by the Michigan Economic Growth Authority. These are projects with the following characteristics: multi-story which increase density, mixed-use and walkable communities, sustainable and green redevelopment, addresses area wide redevelopment with multiple parcel redevelopment and underserved markets of commerce.</p> <p>Following approval of the property in a brownfield plan a MBT Credit Application (Part I) is submitted to the Michigan Economic Development Corporation (MEDC). If the project has merit, an invitation to submit a complete application (Parts I and II) is given. If approved, a pre-approval letter is issued. Eligible investment can be made prior to the issuance of a pre-approval letter as long as the investment is made after brownfield plan approval and no earlier than 90 days prior to the pre-approval letter date. The MBT credit may not be claimed until issuance of a certification of completion for the project.</p>
WHO IS ELIGIBLE?	Any local unit of government (city, village, township or county) may establish a brownfield redevelopment authority.	Anyone who incurs eligible costs under an approved brownfield plan is entitled to reimbursement with tax increment revenues captured by a brownfield redevelopment authority.	A qualified taxpayer (property owner, lessee, or party entered into an agreement to purchase or lease eligible property) may claim a credit for the following eligible investment <u>hard</u> costs on eligible property: site improvements, demolition, construction, restoration, alteration, building renovation or improvement, and addition of machinery, equipment, and fixtures.
WHAT ARE THE INCENTIVES?	<p><b>To communities:</b> improve environmental conditions, redevelop idled property, address unsafe conditions, revitalize downtowns, enhance tax base and employment, joint taxing jurisdiction participation, and conserve greenspace.</p> <p><b>To developers:</b> payment or reimbursement of costs of eligible activities and the MBT credit to level the playing field between brownfields and greenspace.</p>	With dwindling state resources a brownfield redevelopment authority provides a unique opportunity at the local level to address brownfield properties of concern in their community. Utilization of tax revenues that would not be generated without the redevelopment minimizes impact to the taxing jurisdictions. Ultimately, all taxing jurisdictions receive increased tax revenues that may have never been realized without this incentive.	<p>The MBT Credit provides a significant financial incentive for developers and investors of eligible property and can be combined with the tax increment financing incentive.</p> <p>NOTE: Projects must be completed within five years of the issuance of the pre-approval letter, or ten years if a multi-phase project. Credits cannot be approved for parties who have been sued or issued a unilateral administrative order by the MDEQ.</p>
WHO SHOULD I CONTACT?	<p><b>Environmental</b> MDEQ/RRD; 517-373-4805 <a href="http://www.michigan.gov/brownfieldauthority">www.michigan.gov/brownfieldauthority</a></p> <p><b>Non-environmental</b> MEDC Customer Assistance; 517-373-9808</p>	<p><b>Environmental</b> MDEQ/RRD; 989-705-3453 <a href="http://www.michigan.gov/brownfieldauthority">www.michigan.gov/brownfieldauthority</a></p> <p><b>Non-environmental</b> MEDC Customer Assistance; 517-373-9808 <a href="http://www.themedc.org">www.themedc.org</a></p>	Michigan Economic Development Corporation (MEDC) Customer Assistance 517-373-9808 <a href="http://www.themedc.org">www.themedc.org</a>